

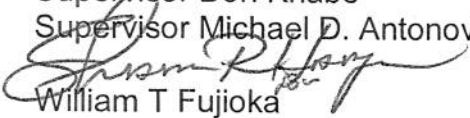


County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

November 6, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich
From: 
William T Fujioka
Chief Executive Officer

Board of Supervisors
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First District

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RECOMMENDATION FOR PERMANENT COUNTY EMPLOYEES VS. CONTRACT CLERICAL SERVICES AT PROBATION JUVENILE HALLS

On October 16, 2007, your Board directed the Chief Executive Officer (CEO) to review the Probation Department's (Department) decision to phase out contracts for clerical services at the juvenile halls and report back to the Board in two weeks with a recommendation that achieves the needs of the Department and is cost effective at the same time.

Background

The Department has contracted for clerical services for each juvenile hall since 1987, when it was determined through a cost-benefit analysis that it was more economically feasible to do so. However, on October 16, 2007, the Department requested approval of a one-year agreement with AppleOne Employment Services and expressed interest in phasing out contract clerical services at the juvenile halls and replacing them with permanent County employees. One of the primary reasons stated for this change was to maintain confidentiality of documentation pertaining to youth criminal matters and personnel. Another reason was to improve retention of clerical staff.

Review Process

The Chief Executive Office, working in conjunction with Department staff, reviewed the Department's plans to transition from contracted clerical services at the juvenile halls to permanent County employees. The review included an examination of costs associated with the transition, the need to maintain confidentiality of documents pertaining to the youth, and the impact of contractor staff turnover.

Review of the costs shows it remains far more cost effective to contract for clerical services when compared to hiring permanent County employees (attached). Also, there is no data to support an increase in confidentiality nor a decrease in staff turnover would be achieved by hiring permanent County employees.

Recommendation

As a result of the above findings, the CEO recommends the Department continue to contract for clerical services. The use of contractors will continue to provide cost savings and meet the Department's needs for clerical staff in the juvenile halls.

It is further recommended, the Department immediately begin the Request for Proposal (RFP) process, as the recently approved agreement with AppleOne Employment Services is for a 12-month period only and will expire on October 31, 2008.

Conclusion

The CEO and the Department have concluded that it remains more economically feasible to contract for clerical services. Contracting for services does not necessarily increase the risk of a confidentiality breach nor does it necessarily result in more stability in personnel. The Department also agrees to take immediate steps to begin the RFP process to continue to contract for clerical services.

If you have any questions regarding this matter, please contact Deputy Chief Executive Officer Doyle Campbell, Public Safety, at (213) 893-2374.

WTF:SRH:RDC
DW:JW:VC:llm

Attachment

c: Probation Department

Cost Analysis of Contract Employees vs. County Employees

Below is a chart from the Probation Department comparing the cost between contract clerical services vs. salary and employee benefits cost of utilizing permanent County clerical staff at the three juvenile halls for fiscal year 2007-08.

Probation Halls	Estimated Cost Permanent County Employees	Estimated Cost Clerical Services Contract	Difference
Barry J. Nidorf	\$ 838,981	\$ 486,000	\$ 352,901 (42%)
Central	1,273,346	684,000	589,346 (46%)
Los Padrinos	793,496	495,000	298,496 (38%)
Total	\$ 2,905,823	\$ 1,665,000	\$ 1,240,743 (43%)

The estimated \$2.9 million would fund a total of 69 permanent Intermediate Typist Clerk positions and the \$1.7 million would fund 69 temporary clerical services positions within the juvenile halls. The variance of \$1.2 million is the additional cost to the County if the Department transitions to permanent County employees.

Historically, the Department utilized contract employees for clerical services at the juvenile halls because it was the most cost-effective method and cost is a major criterion in determining whether or not to utilize Prop A contract services. Based on the above chart, the most cost-effective approach continues to be contract clerical services.